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Public Law 480: An Analysis

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This week's cover:

Public Law 480 sales of American farm products brought U.S. grain sorghum to a Jordanian farmer and cotton to an Indian textile mill. An analysis of the program by Secretary Freeman begins on this page.

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An Analysis: Goals and Results Of Public Law 480

Orville L. Freeman, Secretary of Agriculture, compares results of Public Law 480 with its objectives, commenting on both past benefits and present aims, such as improving the current position of balance of payments in the United States.

"The Congress hereby declares it to be the policy of the United States to expand international trade; to develop and expand export markets for United States agricultural commodities; to use the abundant agricultural productivity of the United States to combat hunger and malnutrition and to encourage economic development in developing countries, with particular emphasis on assistance to those countries that are determined to improve their own agricultural production; and to promote in other ways the foreign policy of the United States."

These are the objectives of Public Law 480, Agricultural Trade Development and Assistance Act of 1954 as amended, as set forth in the preamble to the Act, which went into effect 14 years ago. Every program of Government must meet the test of whether it is yielding the results expected.

Using the preamble's elements as a check list, let us see how well Public Law 480 is serving us.

How international trade and our farm export markets have developed during the 1960's

First, what has been happening to international trade in agricultural products? During the 1960's, international trade in agricultural products has expanded steadily. Total world trade in agricultural products in fiscal 1960 was $28.3 billion. In 1967 it was $33.9 billion.

I do not know of any period in world history when the growth in international agricultural trade has been as great as that of the 1960's. A great share of this expansion has benefited the United States.

The second part of our test of Public Law 480 has to do with developing and expanding export markets for United

States agricultural commodities. What has happened in recent years?

There has been no period of American history before the 1960's in which we have done as well in our agricultural export marketing. Since fiscal year 1960 we have pushed total agricultural exports upward from $4.5 billion to almost $7 billion. Commercial exports—the part we sell for dollars—climbed from $3.2 billion to $5.2 billion, a gain of 62 percent. Shipments in this current fiscal year, both total and for dollars, are holding at high levels.

A very important reason for this spectacular gain is the market development program which is financed out of Public Law 480 foreign currencies. I would like to comment on the significance of this export success story to our farm and city people and to the Nation.

For American farmers, exports make up a big and expanding outlet for their production. Our farmers now export two-thirds of their annual milled rice production; over half of their wheat production; a third or more of their grain sorghums, soybeans, cotton, and tobacco; more than a fourth of their flaxseed; and nearly a fourth of their corn. A large number of other commodities are important.

The benefits of exports are shared by nonfarm people. Hundreds of thousands of workers and businessmen across the country owe part or all of their incomes to the activities created by agricultural exporting—handling, transporting, warehousing, processing, packaging, freight forwarding, insuring, financing, and related activities. Exporting has, in itself, become a vast industry.

Farm products bolster the country's balance of payments and help cut dollar use abroad.

Another benefit to the United States of expanded foreign markets for our farm products is a bettered balance of payments.

It is not generally known—but it is a fact of which we should be very proud—that American agriculture, through its export earnings, is today doing more than any other segment of the Nation to hold back the critical outflow of dollars.

This contribution by American agriculture is relatively new. In the early 1960's there was an unfavorable balance in our commercial agricultural trade. Our country's expenditures for agricultural imports were larger than the earnings from agricultural export sales for dollars. At that time nonagricultural exports—machine tools, airplanes, chemicals, and hundreds of other industrial items—were carrying the load in our balance of trade.

In the past 2 years, however, this situation has been sharply reversed. In 1966 our country's nonagricultural sector had a trade deficit of $470 million; our agricultural sector had a net commercial trade plus of $982 million. In 1967, our nonagricultural trade had a deficit of $300 million; our agricultural trade had a plus of $585 million.

Nor is this the total picture. There also are certain financial benefits coming from the Public Law 480 program in the form of avoided dollar expenditures—and these have the same helpful effect on the balance of payments as dollar earnings. Specifically, our Government is able to use foreign currencies generated under Public Law 480 to pay various U.S. expenses abroad, including embassy costs, market development financing, and many others. In 1966 these dollar returns came to $169 million. In 1967 the returns were $331 million.

The third part of our test of Public Law 480 has to do with encouraging economic development. Is the program mainly a crutch for the less-developed countries—or is it providing strength to help them stand on their own feet? This is a critically important question.

A good test of economic development is a country's improving ability to buy the things it wants in the commercial marketplace. Already a number of countries that once received food aid have become important commercial customers. The classic examples are, of course, Japan, Italy, and Spain. Under Public Law 480 and earlier aid programs, they received considerable assistance. Today they are among our best cash customers.

Japan in 1956 imported American farm products worth $370 million, a third of it under Public Law 480. Today, Japan is buying a billion dollars' worth of our farm products annually—all for dollars and none under Public Law 480. Italy in 1956 imported farm products from the United States worth $114 million—nearly a third under Public Law 480. Now Italy's purchases are approaching $300 million a year, for U.S. dollars. Spain in 1956 imported farm products from our country worth $125 million—practically all under Public Law 480. Ten years later these imports had grown to $200 million, practically all for dollars and none under Public Law 480.

These countries, at a critical time in their economic developments, were aided by Public Law 480. They were ready to carry out their own self-help programs, but they needed some help in getting started. Once started, they have moved forward of their own momentum.

Three other countries can be cited that are dramatic in their transition from aid to trade; they started with less and have had further to go. They are Israel, Taiwan, and South Korea. Their purchases of wheat illustrate their stories.

By food aid, developing nations are strengthened and may become thriving U.S. markets.

In Fiscal Year 1962, Israel got 166,000 tons of U.S. wheat under Public Law 480 and bought 105,000 tons commercially. Last year Israel's wheat purchases under Public Law 480 were cut in half, and her commercial buying was expanded by almost half. Taiwan's wheat imports under Public Law 480 were 325,000 tons in 1962 and dropped to zero last year. At the same time, commercial purchases of our wheat rose from 9,000 to 280,000 tons. During this same period (1962-67), South Korea's Public Law 480 wheat imports dropped from 337,000 to 331,000 tons while its commercial imports

of wheat went up more than 13 times—from 26,000 tons to 341,000 tons.

The economic development of less prosperous countries is extremely important to our export promotion efforts. It is only through economic development that a poor nation can become even modestly affluent. It is only through economic development that a developing nation can improve the buying power of its citizens and thereby make the transition from aid to trade.

Our Economic Research Service has tested the relation between economic development and consumer buying power, with some interesting results. Based on 1964 data, we found that countries with per capita incomes of more than $600 a year—such as Japan and those in Western Europe—bought commercially $7.88 worth of U.S. farm products per person per year. Countries with per capita incomes of $200 to $600—such as Venezuela and Brazil—bought $4.18 worth per person. And countries having per capita incomes of less than $200—such as India, Pakistan, and some others in Asia, Latin America, and Africa—bought only 30 cents' worth of our farm products per person.

There are 22 countries that now buy only 30 cents' worth of our farm products per capita per year. They have a combined population of 835 million, 4 times the size of our own population. If each of these people last year had been able to spend just $1 in buying our farm products—and they would like to buy more from us if they could—we would have exported additional farm products worth $800 million, and our export total for the year would have come to more than $7½ billion. If they had spent $2 apiece more for the food and fiber products they would like to buy from us, our exports for the year would have approached $8½ billion.

I have referred to the underdeveloped countries in the aggregate as a sleeping giant which, once aroused, will be the largest market in the history of the world. But this sleeping giant will awaken only when stimulated by the increased buying power that comes with economic development.

An indispensable key to general economic development anywhere is agricultural development. I do not know of any really progressive country that has a backward agriculture. As a matter of fact, agricultural development must precede and serve as a base for economic and industrial development.

We have strong evidence that this agricultural development is taking place, as appeared recently in our annual world agricultural situation report.[1] In particular, most of the developing countries with large populations—India, Pakistan, and Brazil—made substantial gains in the production of grain and other foods.

I am not trying to say that Public Law 480 with its many features, including strengthened emphasis on self-help, was entirely responsible for this. In many areas bad weather gave way to good growing conditions. But I will say that a good crop in many countries was made even better because of improvements stimulated by the self-help emphasis that Congress wrote in to Public Law 480 in 1966.

India's record harvest, for example, is due not only to good weather but also to the much greater emphasis India is now giving to agriculture. American assistance programs—food, technical, and economic aid—have played an important role of stimulation and support.

The fourth, and last, part of the Public Law 480 preamble on which I would like to comment is the program's importance in promoting U.S. foreign policy.

It is hard to measure exactly on an input-output scale what Public Law 480, with its food aid and development assistance, has done to promote our Nation's foreign policy.

We have tried to generate good will and hope by an unprecedented sharing of our resources and know-how. The shipments of food that have kept millions of hungry people alive have also allowed developing countries to devote more of their capabilities to economic and political growth. We have been providing them, within our abilities, those rays of hope that more than anything else help to build peace and guard America.

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[1] USDA Economic Research Service, The World Agricultural Situation: Foreign Agricultural Econ. Rept. 38, Feb. 1968.

Canada To Use Pie-Rouge Cattle in Beef Experiments

Canada's Department of Agriculture has extensive research plans for 12 Pie-Rouge cattle from France that will spend the next several years at the Department's research station at Lacombe, Alberta. The four bulls and eight heifers, after their completed quarantine, will be put through a carefully devised program of crossbreeding and inbreeding that should allow scientists to evaluate their potential as beef or all-purpose cattle in Canadian conditions.

The Pie-Rouge is the French strain of the Swiss Simmental—a large, husky animal kept in Europe chiefly for milk production. Milk yields of over 10,000 pounds per year are not uncommon from Pie-Rouge cows. Like many other European breeds, the Pie-Rouge has had to display versatility; Pie-Rouge cattle have also been used for beef and as draft animals. Pie-Rouges have large, well-fleshed bodies that may possibly be very suitable for lean-meat production.

The breed was chosen for importation to Canada for experimentation because of its adaptability in many different parts of Europe, its individuals' size and sturdiness, and its good foraging ability.

The main feature of research at Lacombe will be selected crossbreeding. During the 1968 breeding season, the Pie-Rouge bulls will be used for artificial breeding with 100 Shorthorn cows at the research station and at least 100 Hereford and Aberdeen Angus cows in private herds. Male offspring of the Pie-Rouge bulls will be placed in feedlot tests with contemporaries sired by Charolais and British-bred bulls to determine Pie-Rouge suitability for beef production.

Some crossbred female calves will be retained in the herds at the research station as brood cows.

The cattle were purchased last July, temporarily quarantined in France, and then shipped to Canada. The cattle were confined over the winter at the Grosse Ile quarantine station in Quebec. The animals have passed all health tests so far and should be shipped to Lacombe, Alberta, sometime this month. Once at Lacombe, they will have to be isolated for an additional 90 days.

By Richard H. Roberts,
U.S. Agricultural Attaché, Ottawa

World Rapeseed Output Hits Record in 1967

Canada and the major producers in Europe all had peak crops last year, with the largest single increase in Poland. Exports rose, while prices registered a steady downward trend.

By Ellen V. McGuire
Fats and Oils Division, FAS

Spectacular production increases in several countries—namely Canada, France, West Germany, Poland, and Sweden—have highlighted the world rapeseed picture throughout the 1960's. Chiefly because of gains in these countries, world production of this oilseed, with twice the oil content of the soybean, reached a new peak last year, topping the previous one of 1965 by 2 percent. Exports of both seed and oil are believed to have also increased to new records, while prices of both followed a downward trend. For 1968, forecasters predict a crop even larger than 1967's, which could cause world trade to continue its upward climb.

Rapeseed ranks fifth in production among the world's major oil seeds, trailing soybeans, peanuts, sunflowerseed, and cottonseed. More than half the world crop is grown in Asia, where India, Mainland China, and Pakistan are the major producers. Poland, France, and Sweden are the leading European growers, and in North America Canada takes top billing. In all these countries, rapeseed is produced chiefly for its oil, while in the United States it is grown primarily as a forage and soil-building crop.

Oil content varies in seeds of different varieties and from different localities. Typically, rapeseed contains about 40 percent oil and 58 percent meal. Most of the oil is used in the manufacture of salad oils, margarine, and shortening although it is also processed into blown and sulfated oils for industrial uses. In the United States the principal industrial uses are in the manufacture of additives for lubricants and in rubber compounding. The meal is used as a feed concentrate but must be used in limited quantities because its glucoside content can damage animals' digestive tracts. Intensive research is being conducted to eliminate this toxic element.

Production, trade, price summary

The world's total output of rapeseed last year came to an estimated 5.4 million short tons, nearly 2 percent above the 1965 record of 5.3 million and 11 percent above the 4.8 million of 1966. Record crops in Poland, France, West Germany, Sweden, and Canada more than offset the drought-reduced Indian crop. Predictions of an even larger harvest in 1968 are based on expanded acreage in France and West Germany and expectations that Indian output will recover and Canadian production will maintain its high level.

Final tabulations of rapeseed and rapeseed oil exports last year are not yet available. However, estimates show they will top the 1966 record of 666,300 tons of seed and 151,240 tons of oil, increases of 8 and 50 percent, respectively, over 1965 levels. Three countries—Canada, France, and Poland—shipped 84 percent of the seed in 1966, and four—France, West Germany, Sweden, and Mainland China—supplied 84 percent of the oil.

Monthly wholesale prices for Canadian rapeseed, c.i.f. European ports, averaged $123 per metric ton in 1967, 5 percent below the 1966 average. Although prices held firm in August, they declined sharply in September—a month after the record Canadian harvest and 2 months after the bumper harvests in Europe. Prices continued to decline, falling to $112 in December against $130 a year earlier. Oil prices followed the same trend. The 1967 average for any-origin oil fell 16 percent to $206 and that for EEC oil fell 15 percent to $216. By December any-origin oil averaged only $183, compared with $242 a year earlier, and EEC oil $188, compared with $250. Prices during the first 2 months of 1968 remained at these low levels, and for the rest of the year they could decline further because of the large supplies of seed remaining from the 1967 harvest—particularly in Canada and Poland—and the anticipated increase in 1968 production.

Rapeseed and rapeseed oil will be facing stiff price competition from other edible oils this year since world production of these oils is forecast some 7 percent above the 1967 level. Most of the increase is expected in output of peanut, soybean, cottonseed, and sunflowerseed oils.

Canadian crop keeps climbing

Canada, the world's largest exporter of rapeseed, reaped another record crop in 1967, with production up 3 percent to 662,500 short tons. The rise in production did not fully reflect the 13-percent increase in acreage since severe drought in the Prairie Provinces reduced yields per acre to 768 pounds from 845 in 1966.

Export availabilities of Canadian rapeseed should be exceptionally large in 1967-68. Added to carryover stocks at the beginning of the season, the 1967 crop brought total supplies to 800,000 tons. Domestic crushings—despite steady increases—still account for only a small portion of total supplies, leaving the rest for foreign marketing. In the past, major markets have been Japan, Italy, the Netherlands, and West Germany. However, since European production was at a record level last year, a larger volume is expected to move to Japan this season.

EEC reaps record harvest

Production in the European Economic Community reached 603,200 tons last year, up 25 percent from the previous record set in 1965. The two chief producers within the Community—France and West Germany—alone accounted for 581,547 tons as farmers in both countries increased acreages in response to the high prices guaranteed to producers.

Under the Common Agricultural Policy (CAP) for Fats and Oils, which became effective last July 1, a target price, a basic intervention price, and derived intervention prices for rapeseed are established at levels which will encourage production by assuring the producer a favorable return. The basic intervention price, which guarantees the producer the sale of his rapeseed, is fixed as close as possible to the target

price. The spread between the target price ($202.50 per metric ton) and intervention price ($196.50 per metric ton) allows for free price fluctuations. Derived intervention prices are determined according to the location of the regional intervention centers, costs of transportation, and handling charges. Rapeseed producers receive a subsidy or deficiency payment—given only for seed grown and processed into oil within the Community—equal to the difference between the target price and the world market price. On September 1, 1967, a premium of $1.80 per metric ton was added to the target and intervention prices and was to be added each month for 7 consecutive months. Aid to producers was thus enhanced to this extent.

Production of rapeseed in France—the world's second largest exporter of seed and its leading supplier of oil—reached 444,200 short tons (revised estimate) in 1967, up 175 percent from the 1960-64 average. Production could very well have exceeded the revised estimate, and a further increase is expected this year.

Disposal of the 1967 crop was expected to proceed as follows: 35 percent exported as seed; 25 percent exported as oil; and the remainder consumed domestically, chiefly as oil. Major export markets for seed are Algeria, Italy, and West Germany and for oil, Algeria and the Netherlands. Domestic crushing is expected to continue upward this year because of larger domestic and export demand for oil.

In West Germany, which maintained producer prices equal to those in France, rapeseed acreage last year increased 15 percent over the 1960-64 average, and production was up 34 percent over the same average to 137,347 tons. Of West Germany's total crop, an estimated 70 percent is harvested in Schleswig-Holstein and Bavaria. According to recent reports, these two States have increased plantings of winter rapeseed for 1968 harvest by 47 and 36 percent, respectively. Overall production in 1968 could increase by 35,000 to 40,000 tons.

Poland, Sweden

Poland, the largest producer of rapeseed in Europe and by far the largest in Eastern Europe, showed the largest single increase in output last year. This country harvested an estimated 716,000 tons, compared with 493,800 tons in 1966 and the previous record of 555,600 in 1965. Practically all of Poland's trade in rapeseed and oil has been with European countries, although some is sold to Japan. Exports have shown a marked increase since 1960 when only 450 short tons of rapeseed were exported. In 1966, shipments reached 68,300 tons of seed and 8,800 of oil. Shipments from the 1967 harvest reportedly have been entering Western Europe and Japan at prices somewhat below the world market price.

Sweden's production last year, at 269,800 short tons, exceeded the 1965 record by 16 percent. Although acreage was up only slightly over the 1966 level—about 5 percent—yield per acre increased 11 percent because of unusually favorable weather. During 1966, winter kill lowered production to 105,000 tons. A net exporter of both rapeseed and oil, Sweden ships most of the seed to Italy and West Germany and the oil principally to the Netherlands, West Germany, Algeria, Australia, and the United States.

Half comes from Asia

More than half the world's rapeseed is produced in Asia, principally in India, Mainland China, and Pakistan. Since most of the rapeseed grown in India and Pakistan is consumed domestically as a result of the increasing demand for food oils in both of these countries, only Mainland China's crop figures in world trade. Exports from China increased from the 1960-64 average of 6,100 tons, oil basis, to an estimated 45,800 tons (as oil) in 1966. Exports are chiefly in the form of oil, and it is assumed that this oil is produced from domestically grown seed.

Japan, on the other hand, has increased its exports of rapeseed oil crushed mostly from imported seed, while domestic production of seed has shown a steady decline. Rapeseed production dwindled to 87,300 tons in 1967 from a 1960-64 average of 226,700 tons. Meanwhile, imports of seed rose to 233,093 tons in 1966 from 101,298 in 1965 and less than 90,000 in the preceding year. For the Japanese fiscal year April 1967-March 1968, the Ministry of Agriculture and Forestry estimates imports at 277,700 tons, an increase of 33,000 for the fiscal year. Exports of oil totaled 11,922 tons in 1966, against only 4,007 in 1965 and little previously.

Canada Uses Trade Missions To Promote Rapeseed

With an eye toward boosting its foreign sales of rapeseed, Canada recently hosted an oilseed mission representing the United Kingdom and Ireland and will send a team of its own to Japan later on this spring.

Canada, world's biggest exporter of rapeseed, counts Japan as its No. 1 foreign market and hopes that sales to the United Kingdom will increase with the uptrend in British use.

Sponsored by the Canadian Department of Trade and Commerce, the U.K.-Irish mission traversed the entire country, inspecting oilseed processing plants and research facilities and meeting with government and industry officials. Developments in the production and use of rapeseed and its byproducts received particular emphasis during the team's tour.

The mission to Japan will represent the Rapeseed Association of Canada and will leave sometime in May or June. Its primary aim will be to discuss rapeseed oil and meal sales with trade and government officials and to determine how to best maximize exports to this market.

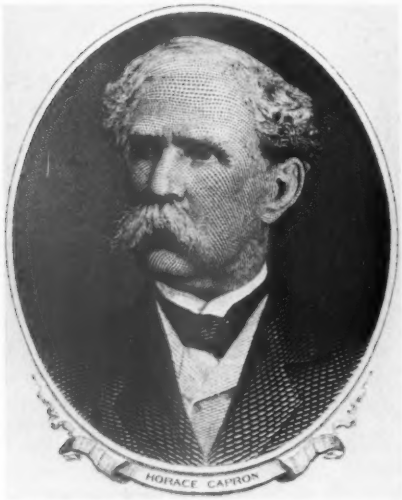
So far, plans call for a seven-man team comprised of a leader nominated by the association's board of directors, a grower, two scientists or researchers, the executive director of the association, and two active rapeseed exporters.

In another development involving rapeseed, a number of the oilseed trade has encouraged association members to campaign for removal of Provincial coloring regulations for oleomargarine, a rapeseed oil product. Only two Provinces do not have regulations or restrictions concerning the sale of colored margarine. In some Provinces the product must be white, while in others the color ranges all the way to deep orange. However, other dairy and diet spreads are now entering the market exempt from the coloring regulations that apply to margarine. "We have to get into this thing right now with a strong stand," he told the association's recent Winnipeg meeting, "or we will be in trouble later."

—RICHARD H. ROBERTS
U.S. Agricultural Attaché, Ottawa

1968 Mission Recalls—

First U.S. Farm Adviser to Japan



Right, Dr. Eugene Kanez, curator, shows part of the Capron Japanese collection housed in the Smithsonian Institution, Washington, D.C. Horace Capron obtained these on his 19th century mission.

The agricultural trade mission, led by Secretary of Agriculture Orville L. Freeman to Japan the past 2 weeks, was reminiscent of another special mission led almost a hundred years ago by one of his predecessors—Horace Capron, second Commissioner of Agriculture for the United States. In a way the earlier mission helped pave the way for the later.

Secretary Freeman's recent mission was conducted in connection with the U.S. Food and Agricultural Exhibition being held in Tokyo April 5-21. A group of Congressmen, Governors of agricultural States, and agricultural specialists accompanied the Secretary to establish and to strengthen high-level contacts with Japanese leaders who decide which agricultural products will be imported, how much, and from whom. The mission was designed to improve the already friendly relationship between the United States and Japan—a near-billion-dollar market for U.S. agricultural products. (For details of Secretary Freeman's Japanese mission see *Foreign Agriculture*, March 25, 1968, p. 12.)

Horace Capron's mission to Japan in 1871 was designed to promote American ideas and know-how. He and a staff of 45 hand-picked American economists and engineers went to Japan at the request of the Japanese Government to serve as advisers in the development of Hokkaido—the large northernmost island of Japan. Before going to Japan, Capron resigned his post as Commissioner of Agriculture under President Ulysses S. Grant, a job he had held since 1867.

A 4-year project

Horace Capron and his party arrived on the Japanese scene only 3 years after the beginning of the Meiji period. This period, which originated after the abolishment of the centuries-old feudal domination by a minority ruling class and the restoration of the Emperor, started Japan's move toward an industrial economy and trade with the West.

Capron's new responsibilities concerned not only the agricultural interests of Hokkaido, but also decisions as to where roads, canals, and ditches should be constructed for communication, transportation, and drainage and where towns should be founded. His first task in updating agriculture on Hokkaido was to conduct a study of the climate, soils, minerals, and other resources of the island. The inhabitants themselves summed up Hokkaido's agricultural possibilities by describing it as "a barren region, with a Siberian climate, unsuited to cultivation."

In all, Capron spent 4 years in Japan introducing to Japanese farmers U.S. livestock and such valuable machinery as steam engines, turbine water wheels, sawmills, gristmills, and all types of farm implements. The horses he brought over created almost as much of a sensation as the opening of his first mill.

Capron did not confine all his agricultural assistance to Hokkaido. Early in his work in Japan he convinced the Japanese authorities of the importance of establishing nurseries and experimental farm grounds near Tokyo. These installations were needed to provide foundation stock for both Hokkaido and the main island of Japan, which was almost as much in need of agricultural development as Hokkaido.

Capron supervised the selection of appropriate land for the experimental farm and hired 800 men to prepare the ground to receive plants imported from America. In time, the land produced varieties of the best American fruits, grains, grasses, and numerous vegetables—including onions, turnips, cabbage, lettuce, tomatoes, carrots, beets, celery, and spinach.

Finely bred horses, cattle (Durhams

and Devons), sheep, and swine were also sent to the experimental farm. Two specially made vessels were ordered from New York as model ships to solve the problem of transporting some of the animals from the experimental farm to Hokkaido.

Capron also established an agricultural college in Sapporo, the capital city of Hokkaido.

From Capron and the other members of his mission, many young Japanese men learned about the science of farming, about methods of substituting steam and water power for human power, how to conduct land surveys, and how to produce maps and reports. They learned how to operate flour mills, gristmills, and sawmills, to breed the imported livestock, and to grow American crops under local climatic conditions.

Capron's recommendations for developing Hokkaido and all of Japan and his manner of executing his ideas were enthusiastically received. He and his wife were entertained several times by Emperor Mutsuhito.

Capron worked continually with top-level Japanese officials in carrying out his development recommendations. His journal is filled with accounts of the gracious behavior of Japanese Government leaders toward him and descriptions of the awesome joy with which the people received the labor-saving machines and new types of food he introduced.

When Capron and his staff completed their work in 1875, Japan's Councillor of State Ito Hirobumi stated that Capron's work had placed Hokkaido "in a condition to secure its future prosperity." Another high official in a letter of thanks to Capron said at that time that "These improvements so much advance our progress that we anticipate a prosperous future for the Island, and the final success of our project (to agriculturally develop the nation) is, we fully believe, attributable to your efforts."

In 1884, Capron became the first foreigner ever to receive the Japanese "Decoration of the Second Order of the Rising Sun." This honor was conferred on him by the Japanese Government through the U.S. Department of State.

This fall the Japanese will honor Capron again as the "Father of Modern Farming" in a special television documentary to be filmed by Nippon Hoso Kyokai, the largest nationwide broadcasting corporation in Japan. The program on Capron's life and contributions will be filmed in the United States and Japan and televised as one of a series of honoring foreigners who have contributed to Japan's development since 1868.

Tokyo Street Corner Promotion for American Festival

Two sure-fire crowd pleasers—pretty girls and free handouts—ushered in USDA's American Festival, now on Tokyo's Harumi Wharf. The downtown promotion daily attracted huge crowds to its corner spot at the Sony Center in Japan's famous Ginza shopping district.

Counterclockwise from left, a small chick hatchery was set up inside the building by Japanese breeders, who feed their birds on U.S. corn (also inside—a fruit and vegetable exhibit). Miss American Festival, a U.S. teenager attending high school in Tokyo, gives away California orchids; and a girl in western outfit hands out fliers, sells doughnuts, popcorn, and American soft drinks. Two Miss Soap's pass out samples.

BRITAIN, GERMANY, JAPAN— Promotion Targets for U.S. Competitors

Farm products promotion in the top three industrial nations—the United Kingdom, Germany, and Japan—can be described as 15-20 agricultural exporting countries scrambling for an ever larger slice of a $14-billion pie. The United States is still No. 1 supplier to the three, but competition is stiff and growing. Australia, Belgium, Canada, Denmark, Israel, Italy, the Netherlands, Spain, Switzerland, and a few others—including Germany and Britain, which sell to each other and to Japan—spend millions of dollars promoting farm products in the major markets.

Advertising techniques used by the competition vary little from those employed by the United States—trade fairs, store campaigns, magazine ads, national weeks, trade teams, and radio and television spots. For some years television has been an important medium used by advertisers of consumer products in the American market, but only in the last year or so has it come into its own as a promotion tool in Western Europe and Japan. Increasing salaries and higher standards of living in these areas have brought television sets into more and more homes, enabling advertisers to reach thousands of consumers with frequent verbal and visual commercials.

Countries promoting their products in stores run contests, give out samples, award vacation trips and prizes, and stage crowd-drawing events such as free entertainment, fashion shows, and visits by celebrities and government officials. In most cases projects are financed by government agencies and cooperator groups and/or private industry and frequently are managed from offices in the importing countries.

Following is a promotion profile of the three markets in 1967. Included is a look at how some foreign competitors spent their market development money last year and a few projects for 1968.

Dairy and produce in Britain

Britain is by far the biggest importer of agriculture products, spending about $5.7 billion a year, and comes under strongest promotional fire. Commonwealth and neighboring European suppliers traditionally engage in heavy advertising and promotion programs, but a number of other countries have also been making solid efforts.

Foreign *dairy products* are highly publicized everywhere in Britain. Denmark promoted Danish bacon, cheese, and other food products. For this year, an "At Home with the Danes" exhibition featuring food is planned for Battersea Park, April 24-May 19, with concurrent promotions in 7,000 stores. Supporting the dairy product exhibit and store campaign will be advertising in the London daily papers, 300 bus banners, and television commercials.

The Danish Cheese Board plans to send service representatives to meet with British retailers this spring. Board members will distribute point-of-sale and store display material and assist grocers in promotional activities.

Dutch butter will be promoted this year in commercials aimed at audiences in the five major television areas in Britain — London, Southern, Scotland, Tyne-Tees, and Midlands. For the Manchester area a merchandising campaign and local media advertising is planned. National press advertising and store demonstrations for Dutch butter will fill out the campaign.

New Zealand and Switzerland also have butter and cheese campaigns for 1968. New Zealand will distribute point-of-sale material to cooperative societies, buying groups, and large retailers. The Swiss, who will concentrate on cheese promotion, have expanded their advertising budget by 15 percent from last year. Plans to promote Gruyere and Emmenthal cheese will include television and press advertising and a full demonstration program in retail stores, for the first time on a national basis. The Swiss Cheese Union now has offices in the new Swiss Center opened in Leicester Square in 1967, where a "Shopping in Switzerland" area is featured.

Cheese and butter

France's food marketing organization, SOPEXA, promotes cheese in Britain through store promotions, press, and television advertising. The Irish Dairy Produce Marketing Board and Irish Bacon Publicity Council also have been active with press and television advertising to back Kerrygold Irish butter and Irish cheese.

British consumers are also the target for promotion on imported *deciduous* fruits and *vegetables*. South Africa has purchased considerable television time to advertise Cape Apples and for 1968 plans to increase that amount plus the number of store promotions.

Last fall Israel started a new program aimed at increasing exports of fresh fruits and vegetables to Britain; goals are to double U.K. purchases of melons, artichokes, and onions.

Fruits and vegetables also come under

An advertisement for French apples in Britain's trade journal The Grocer, *above; right, window sticker for British butcher shops from the New Zealand Meat Board.*

Right, store ad for Moroccan oranges in Germany. Above, Dutch "cheese maiden"—widely used symbol of her product in posters and advertisements—makes a radio commercial.

the massive food campaigns that Australia regularly stages in Britain. Australia spends large amounts each year backing its agricultural products in Britain, its best market. Retail campaigns were held last year with cooperative groups, large supermarket chains, and cash-and-carry stores. The retail store campaigns are supported by large-scale press advertising and feature teams of Australian girls demonstrating cooking methods and handing out samples.

A large campaign is also underway to sell Dutch lettuce in the United Kingdom. More than 4,000 large color posters draw attention to the lettuce in the towns of England and Wales, with more than 1,000 concentrated in the London area. The theme: "Lettuce Go Dutch."

South Africa also has a stake in the *citrus* market. Last year its growers' cooperative was active in Britain backing grapefruit and oranges. Italy also sells and promotes citrus in Britain, specifically lemons on television and in the press. The Moroccan State Marketing Organization—another contender for citrus sales—has started a drive to double its 3-per-cent share of the British market for oranges, Morocco's chief export. Distribution has been a major problem for Moroccan oranges and the campaign will be primarily aimed at the trade. Spain also sponsored press and television advertising for its citrus last year and plans a 1968 poster campaign for "Sombrero" fruit salad.

Canada regularly holds exhibits in the United Kingdom for a variety of food products, some of them put out by Canadian branches of U.S. firms. The largest food store promotion ever sponsored by the Canadians to promote their products was held in early 1967 with the Fine Fare and Coopers groups of stores. Some 345 supermarkets and 400 small stores took part. The promotion featured Canadian demonstrators and a national competition open to anyone buying Canadian food items during the fortnight. Prizes for customers included vacations for two in Canada with visits to EXPO '67 in Montreal.

Advertising for some other products in Britain is carried out on a smaller scale. Romania regularly runs full-page advertising in trade journals for bacon, fruits, honey, and eggs; and the Russians have advertised butter. Hungary publicizes its wine and the Czechoslovakians push Prague ham. Mainland China ran nine full-page advertisements and a related editorial in a British trade journal last fall even though its $2.4-million import quota had already been exhausted for the year.

Trade fairs in Germany

Germany bought about $5 billion in foreign agricultural products last year, some $672 million from the United States. German consumers and tradespeople come under particularly intensive trade fair promotion since the country is host to the huge and widely known ANUGA trade fair in Cologne (biennially in odd years), the IKOFA fair in Munich (biennially in even years, coming up Sept. 21-29), and the annual Green Week event in Berlin. The fairs have national and commodity exhibits from virtually all of Germany's foreign suppliers and regularly draw hundreds of thousands of consumers and tradespeople.

Although Germany itself is a big producer of *dairy products*, a number of supplying countries sell and actively promote them there—particularly cheese. The Netherlands Dairy Board invested about $750,000 last year for just that purpose. Holland Weeks are a familiar event in cities throughout Germany, with Dutch "cheese maidens" handing out recipe folders at the rate of about 1,000 a day. Rural consumers are reached by travelling demonstrators showing films and giving cooking demonstration for housewives' organizations.

Switzerland, which spent about $125,000 last year on magazine ads for cheese, held a Tessin Week in a Duesseldorf department store in March. A cooperative effort at cheese promotion was made during 1967 by the EEC and EFTA (European Free Trade Association) countries in 40 selected supermarkets with about 160 cooking demonstrations.

In *poultry* promotion the Germans themselves spent about $292,000 at home on consumer ads, television, and trade promotion. The Netherlands invested about $250,000 on advertising, Denmark about $500, and Poland about $42,000. (These figures do not include expenses for store promotions or fair exhibits.)

Citrus promotion in Germany is largely Israel's, with some efforts also by Spain and South Africa. Israel last year spent about 23 percent of its $2-million European promotion budget in Germany, sponsoring trade visits, store campaigns, and advertising. During the 1967-68 season (October-May) Israel is sending five men to Germany with point-of-sale material to explain and arrange demonstrations for some 2,500 citrus wholesalers and central buyers. At the retail level, about 30 representatives will call on 17,400 retailers in 351 German cities.

Right, Danish cheese producers interested in selling their product in Japan have provided this pamphlet for housewives. In Japanese it describes the cheeses and some recipes for Japanese cheese dishes.

Israel's Jaffa brand grapefruit accounts for about 64 percent of Germany's grapefruit market, and special emphasis is given to its promotion. In 135 German cities, 200 week-long demonstrations in stores will show the Germans how to prepare and eat grapefruit. Israel provides demonstrators, and the stores provide space, advertising, and a large purchase of grapefruit to sell. For the 1967-68 season the Israel Citrus Board is offering retailers cardboard citrus trees with recessed shelves in the middle for stacking fruit or handout material. Spain invested about $967,000 in orange promotion in Germany last year, chiefly for television commercials. South Africa marketed and advertised OUTSPAN brand citrus for about $125,000 in 1967.

Deciduous fruits and vegetables are promoted by Italy and South Africa and also by France and the Netherlands. SOPEXA, France's food agency, places consumer ads in the daily press and popular mazagines to bring the French products to public attention. At the store level SOPEXA provides point-of-sale material and demonstrators. The Netherlands advertises its fruits, vegetables, flowers and houseplants in the press.

A number of other products are promoted in Germany. *Olive oil* is advertised by Italy, Spain, Morocco, Greece and Algeria with some support from the International Olive Oil Council. Canada encourages *wheat* purchases on a personal-contact basis, swapping trade team visits with German millers and government officials. British Weeks have become almost a standard feature in many German stores—complete with London policemen, buses, and entertainment—drawing crowds to see a wide variety of food and manufactured products.

Quota problems in Japan

U.S. competitors seeking a share of the $3-billion Japanese market last year doubled their market development appropriations of 1966 to a record $2.1 million. Store campaigns and trade exhibits were most popular avenues of promotion.

Supplying countries sponsored a number of highly publicized goodwill and trade visits to and from Japan. There were fewer "galas" and extravaganza-type promotion at hotels and clubs than in the past, but there was more participation in the hard-sell exhibits. Two which saw wide international representation were the Tokyo International Home Show and the Tokyo International Trade Fair.

The effect of competitive food promotion for many items sold to Japan is tempered somewhat by the large number of restrictive import quotas enforced by the Japanese Government. Undoubtedly many foreign foods which have done poorly in Japan would find a wider market if they could be imported freely, and efforts are being made to ease the restrictions. Products under the quotas include meats—fresh, frozen, and processed, specialty and snack items, most dairy products and cheese specialties except for natural cheese, citrus fruits except fresh lemons, candy, chewing gum and confectionary products, chocolate products, cookies and biscuits, canned and frozen fruits and juices, and distilled spirits. Special quota extensions are issued from time to time to allow imports of foods for promotion in stores, fairs, and exhibits.

Canada and Australia are chief *wheat* promoters in Japan besides the United States. To maintain its share of total purchases Canada last year continued its brisk exchange program between Japanese and Canadian officials and worked with Japan on plans for EXPO 70 at Osaka, where Canada reportedly will have the largest country exhibit.

Australia concentrates its wheat promotion on personnel exchanges. Three Australian Wheat Board members visited Japan in May to meet with Food Agency and Livestock Bureau officials, grain importers, millers, and processors, and a five-man Japanese team visited Australia last November.

Australia, Denmark, and France are strongest promoters of *dairy products* in Japan. Last year 12 Hokkaido farmers spent 10 weeks in Australia studying the dairy industry, sponsored jointly by the two countries, and 18 Japanese cheese industry members went to Denmark to visit dairy farms there. Denmark also promoted cheese at the Imperial Hotel's Scandinavian Food Festival in Tokyo and at Osaka's Hanshin department store.

France held a May exhibit at the French Trade Center for evaporated and skim milk and cheese, sent eight French dairymen to Japan on a goodwill visit, and sponsored a French wine-and-cheese-tasting event aboard the S.S. Vietnam in Yokohama harbor.

Wool is promoted in Japan by the International Wool Secretariat, which represents Australia, New Zealand, and South Africa. Some $12.4 million was spent on the campaign in 1967—65 percent of it for television commercials, 20 percent on newspaper advertising, and 15 percent on magazine publicity.

Campaign for meat

Meat promotion is handled largely by Australia and New Zealand and in a smaller way by France. The Australian Meat Board published, in Japanese, recipes for meat and mutton in Japanese cuisine. These were distributed to retailers through Japanese dealers.

New Zealand's lamb promotion was carried by 200 television commercials, color ads in four prominent women's monthly magazines, and newspaper ads. Lamb cooking demonstrations were held in stores in and around Tokyo by restaurant and hotel chefs.

French meat promotion last year in Japan consisted of an agricultural fair at the Matsuzakaya department store in Tokyo in May featuring six Charolais beef cattle. French dairy products also were shown and sold at the store.

Germans Buy More French Wheat

West Germany will import more wheat from France this crop year than it did last, despite a domestic wheat crop almost 1.3 million metric tons larger than that of a year earlier—according to a leading article in the March 19 issue of the German grain trade paper *Ernaehrungsdienst*.

The importance of French wheat in Germany this year has only recently become apparent, the article says. During the first months of this crop year a large quantity of French wheat entered the German market. But it did not again play a role until late last December.

Even up to February, it still looked as though less French wheat would be sold in Germany than the year before. Mill demand was moderate because millers had supplied themselves very well toward the end of 1967 calendar year. Furthermore it was expected that at the beginning of 1968 large amounts of the record domestic wheat crop would start moving to the mills. Also, French exporters were not so interested in the German market because of outlets in third countries.

However, since the beginning of February the situation has changed, according to the article. The French have rediscovered their interest in the German market. Large stocks congest their elevators and exports to non-EEC countries were more difficult than expected.

New French offers were met with interest by German mills, particularly in the west and southwest where it became doubtful whether the large domestic quantities would enter markets and keep wheat prices at or near support level. First contracts for March and April French shipments were made at very attractive prices. Quantities contracted so far for shipment through May have been surprisingly high.

If and when more French wheat is shipped to Germany, it can be attributed to the false price "regionalization," according to the article. The relatively high wheat prices in the German consumption centers attracted the wheat from France. This is the more so since the wheat quality of the 1967 German crop is not too good—that is, although flour yield is not bad, protein and gluten contents leave much to be desired.

As the year progresses, the article predicts, quality will deteriorate and the deficiency will become more and more evident. As a consequence, the advantages of French wheat—with regard to both price and quality—will become more pronounced.

—Based on dispatch from
PAUL G. MINNEMAN
U.S. Agricultural Attaché, Bonn

Irish Plan Aids Small Farmers

A Small Farm Incentive Bonus Scheme will come into operation in Ireland next month. According to Minister for Agriculture and Fisheries Neil T. Blaney, the new program is aimed at assisting potentially viable farmers.

The scheme will provide a grant of $480 to any eligible farmer who, over a period of 4 years (or 6 years in exceptional circumstances), carries out a farm development plan. The plan will be drawn up with the help of the farmer's local agricultural adviser and will be designed to raise the level of production enough to yield a yearly gross margin of at least $1,680 at the end of the period.

The scheme is open to any farmer whose yearly gross margin is now below $1,680 and whose land holdings do not exceed the $60 Poor Law Valuation or 50 statute acres. About 70 percent of Irish farm holdings are either under the valuation or the acreage limit, but it is difficult to estimate what proportion of these holdings would qualify under the gross-margin limit.

The gross margin—that is the value of farm output less direct expenses, will be calculated by reference to standard figures for the different kinds of farm enterprises.

Each plan will set out four yearly stages. A farmer who is unable to complete any stage in the appropriate year because of circumstances outside his control may still continue in the scheme if he is showing evidence of reasonable progress. However, a farmer will be expected to complete the overall plan within 6 years. The $480 grant will be paid in annual installments of $120.

—Based on dispatch from
EUGENE T. RANSON
U.S. Agricultural Attaché, Dublin

Record Cotton Output Expected in Australia

Australia's cotton production outlook for the current season is exceptionally bright. Estimated acreage is nearly 30 percent greater than last year's, and a current conservative estimate is for a 1968 crop of 140,000 bales. This would be approximately 67 percent greater than last year's near record.

The added production this year is coming chiefly from new plantings in the Macquarie and Namoi Valleys. Cotton in these areas was threatened in late December by lack of moisture, but January rains came in time not only to save the crop but to result in estimated record production.

In addition, Queensland and Ord River cotton areas—which had inferior crops last year—are expecting excellent crops this year.

Spinning and weaving during the past 6 months have continued at a slightly higher rate than a year earlier, when it was also high. The mills are continuing to work two shifts. The reorganization of 2 years ago now has the industry on a sound basis. The industry is working on an annual increase of about 2 percent, which corresponds to the rate of population growth.

There are serious threats that spinners will not be able to absorb all of this year's raw cotton production. Their requirements are expected to be about 130,000 to 135,000 bales, of which 15,000 will be of special grades that normally have to be imported. This could leave a surplus of 25,000 to 30,000 bales from the 1967-68 crop. The textile industry has appealed to the Tariff Board for protection of up to 20 percent of local consumption, but presently has to be content with a protection of only 15 percent.

The increased production of raw cotton this year is causing the bounty per pound (paid to producers to encourage production) to be reduced. The present bounty program, which is applicable to the 5 calendar years 1964-68, has a ceiling of $4 million (U.S. $4.48 million) on annual expenditures. If the 140,000-bale crop materializes this year, the bounty will drop around 6 cents per pound. The bounty is paid only on cotton used locally.

—Based on dispatch from
FRED M. LEGE III
U.S. Agricultural Attaché, Canberra

CROPS AND MARKETS SHORTS

Weekly Report on Rotterdam Grain Prices

Between March 27 and April 3, 1968, virtually all offer prices in Rotterdam declined. U.S. Spring was down 6 cents while U.S. Soft Red dropped 5 cents. Canadian Manitoba and Argentine wheat prices were off 1 cent, while the price for USSR declined 4 cents. U.S. 12 percent was not quoted.

South African white corn increased 6 cents per bushel, while Argentine corn dropped 5 cents. U.S. corn was down 1 cent per bushel.

A listing of the prices follows.

Item	April 3	March 27	A year ago
	Dol. per bu.	*Dol. per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 2 Manitoba	2.03	2.04	2.18
USSR 121	1.92	1.96	(1)
U.S. No. 2 Dark Northern Spring, 14 percent	1.91	1.97	2.11
U.S. No. 2 Hard Winter, 12 percent	(1)	(1)	2.01
Argentine	1.88	1.89	1.96
U.S. No. 2 Soft Red Winter	1.68	1.73	1.98
Corn:			
U.S. No. 3 Yellow	1.37	1.38	1.60
Argentine Plate	1.45	1.50	1.58
South African White	1.45	1.39	1.64

[1] Not quoted.

Note: All quotes are c.i.f. Rotterdam and for 30- to 60-day delivery.

February U.S. Tobacco Exports Climb

U.S. exports of unmanufactured tobacco in February 1968 totaled 44.8 million pounds, valued at $39.7 million. This compares with 34.8 million pounds, at $30.7 million, in February 1967.

For July 1967-February 1968, exports were 409.7 million pounds, down 8.4 percent from the 447.4 million shipped out in similar period of fiscal 1967.

For the first 2 months of calendar 1968 exports were 89.1 million pounds, up 24 percent from January-February 1967.

Exports of tobacco products in February 1968 were valued at $12.1 million, up from $9.9 million in February 1967.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
[Export weight]

Kind	February		January-February		Change from 1967
	1967	1968	1967	1968	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	25,200	32,090	51,664	65,499	+ 26.8
Burley	4,276	3,012	7,264	5,362	− 26.2
Dark-fired Ky.-Tenn.	1,454	690	3,312	2,776	− 16.2
Va. Fire-cured [1]	396	482	881	1,018	+ 15.6
Maryland	254	1,461	1,693	1,736	+ 2.5
Green River	79	89	112	201	+ 79.5
One Sucker	9	7	67	7	− 89.6
Black Fat	224	258	587	531	− 9.5
Cigar wrapper	106	363	208	626	+201.0
Cigar binder	122	63	201	207	+ 3.0
Cigar filler	42	17	61	36	− 41.0
Other	2,629	6,260	5,671	11,089	+ 95.5
Total	34,791	44,792	71,721	89,088	+ 24.2
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	30.7	39.7	59.9	74.6	+ 24.5

[1] Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Kind	February		January-February		Change from 1967
	1967	1968	1967	1968	
					Percent
Cigars and cheroots *1,000 pieces*	2,935	7,380	7,554	10,176	+34.7
Cigarettes *Million pieces*	1,731	1,940	3,500	3,539	+ 1.1
Chewing and snuff *1,000 pounds*	25	19	32	49	+53.1
Smoking tobacco in pkgs. *1,000 pounds*	100	76	180	203	+12.8
Smoking tobacco in bulk *1,000 pounds*	1,085	1,861	1,856	2,339	+26.0
Total declared value *Million dollars*	9.9	12.1	19.3	21.0	+ 8.8

Bureau of the Census.

Rise in British Tobacco Imports

During 1967 U.K. tobacco imports generally increased. The United States remained the largest single supplier, with shipments practically the same as those for 1966.

UNITED KINGDOM TOBACCO IMPORTS

Origin	1965	1966 [1]	1967 [1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Commonwealth:			
India	36,202	31,313	54,645
Canada	36,583	40,193	45,997
Malawi	11,678	13,325	11,021
Tanzania	335	3,361	5,412
Zambia	14,182	4,081	2,082
Pakistan	9	640	1,295
Jamaica	674	866	1,030
Rhodesia	81,700	15,206	0
Others	480	1,349	3,160
Total	181,843	110,334	124,642
Non-Commonwealth:			
United State	90,855	132,693	132,948
South Africa, Republic of	7,771	8,517	9,972
Netherlands [2]	3,386	4,277	3,513
Thailand	4	515	2,998
South Korea	0	0	2,521
Taiwan	(3)	(3)	548
Turkey	78	1,325	489
Others	498	4,432	2,777
Total	102,592	151,759	155,766
Grand total	284,435	262,093	280,408

[1] Prelimiary. [2] Re-exports. [3] If any, included with others.
Tobacco Intelligence, London.

U.S. Tallow and Grease Exports Rise

Exports of tallow and grease from the United States totaled 2.2 million pounds in 1967, up 13 percent from the preced-

ing year. The United States accounts for approximately 70 percent of the tallow and grease entering world trade. Exports of hog grease, which represent a sizable portion of U.S. exports of inedible tallow and greases, were up 5 million pounds in 1967 because of larger hog output and slaughter. Greater supplies and lower prices were the chief factors behind increased exports in 1967.

U.S. EXPORTS OF INEDIBLE TALLOW AND GREASE [1]

Continent and country	1961-65 [2]	1965	1966	1967 [3]
	Mil. lb.	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*
North America:				
Canada	28	21	15	12
El Salvador	13	10	13	13
Guatemala	17	20	22	31
Honduras	4	3	5	7
Mexico	4	4	6	4
Dominican Rep.	7	8	12	14
Haiti	9	9	10	13
Jamaica	5	9	9	7
Other	3	4	7	9
Total	90	88	99	110
South America:				
Colombia	26	19	19	43
Ecuador	23	24	37	26
Peru	29	30	31	24
Venezuela	17	15	19	19
Other	8	6	4	1
Total	103	94	110	113
Europe:				
EEC:				
Belgium	22	12	15	13
France	18	33	9	28
Germany, West	91	71	77	51
Italy	183	115	150	114
Netherlands	225	207	184	192
Total EEC	539	438	435	398
Greece	6	7	(4)	2
Norway	3	4	5	3
Portugal	9	16	15	20
Spain	99	92	120	107
Switzerland	35	46	22	37
United Kingdom	42	83	62	56
Poland	82	95	37	32
Yugoslavia	24	35	2	6
Other	9	11	6	1
Total	848	827	704	662
USSR	121	186	83	....
Africa:				
Algeria	8	24	24	20
Morocco	22	27	28	24
UAR	94	80	93	129
Ghana	12	16	14	34
Ivory Coast	4	4	2	15
South Africa, Rep. of	31	37	22	18
Other	8	13	11	14
Total	179	201	194	254
Asia:				
Iran	31	28	33	38
Turkey	32	14	64	5
China, Taiwan	42	39	48	51
India	19	91	28	252
Japan	390	465	496	557
Korea, South	34	34	54	62
Pakistan	48	33	35	88
Philippines	20	16	12	14
Other countries [5]	9	10	12	15
Total	625	730	782	1,082
Total world	1,966	2,126	1,972	2,221

[1] Includes inedible tallow, animal greases, animal oils, and choice white grease. [2] Average. [3] Preliminary. [4] Less than 500,000 pounds. [5] Includes shipments to Oceania.

Compiled from reports of the U.S. Department of Commerce.

Japan—the largest importer of U.S. tallow and grease—imported 557 million pounds in 1967, or 12 percent more than in 1966. Total exports to Japan represented one-fourth of total U.S. tallow and grease exports.

Shipments to the EEC, at 398 million pounds, were off again, continuing a downward trend from the 1961-65 average of 539 million pounds. This is the result of increasing livestock production of recent years in West European countries, as they attempt to supply their domestic needs. Exports to other West European and East European countries were also down.

Exports to South America rose 3 percent. Colombia received significantly larger supplies in 1967 offsetting declines to Ecuador and Peru. Quantities shipped to Africa were up 31 percent with exports up 39 percent to the United Arab Republic. Shipments to Asia increased 38 percent in 1967 with the major increases going to India, Japan, and Pakistan. Approximately 10 percent of total tallow and grease exports moved under Public Law 480 in 1967. These shipments were largely to India, Pakistan, and South Korea.

Inedible tallow exports in 1968 should be moderately higher reflecting continued heavy supplies and low prices. More tallow will be exported under P.L. 480 in 1968 with India, Pakistan, Korea, and Taiwan being the major recipients of inedible tallow shipments.

Decline in Ghana's Cocoa Bean Exports

Reflecting the unusually small 1966-67 harvest, Ghana's 1967 cocoa bean exports amounted to 329,640 long tons, down 16 percent from the year before and well under the record 1965 level of 493,989 tons. Major destinations of the 1967 shipments were (in long tons): the United States (73,225); the USSR (56,993); the United Kingdom (38,713); Japan (23,410); West Germany (22,465); and the Netherlands (20,935).

U.S. Soybean and Products Exports

U.S. exports of soybeans in February totaled 18.8 million bushels—down 8 percent from the 20.4 million exported last February. September-February exports of 147.8 million bushels, representing the first half of the soybean crop year, exceeded last year's exports by only 0.2 million. Although exports to the EEC increased 1.6 million bushels, and exports to Japan, Spain, Denmark, and the Republic of China showed a net gain of 4.9 million, exports to Canada and other countries were down 6.3 million bushels from those of last year.

Soybean and cottonseed oil exports in February totaled 86.3 million pounds bringing the October-February total to 414.7 million compared with 361.8 million a year ago. Shipments of soybean oil under Public Law 480 programs accounted for the increase.

Soybean meal exports of 250,100 short tons were up nearly 5 percent from the 239,000 exported last February. October-February exports totaled 1,284,000 tons, a gain of 11 percent over exports in the same 5 months last year. The 876,900 tons exported to the EEC represented nearly 70

U.S. EXPORTS OF SOYBEANS AND PRODUCTS

Item and country of destination	Unit	February 1967 [1]	February 1968 [1]	Sept.-Feb. '66-67 [1]	Sept.-Feb. '67-68 [1]
SOYBEANS					
Belgium	Mil. bu.	1.0	0.3	5.3	4.6
France	do.	.5	(2)	1.4	.4
Germany, West	do.	3.2	2.8	18.2	19.4
Italy	do.	1.1	1.1	11.2	9.7
Netherlands	do.	2.4	1.7	20.8	24.4
Total EEC	do.	8.2	5.9	56.9	58.5
Japan	do.	3.0	6.0	33.8	35.9
Spain	do.	3.1	2.2	13.4	14.7
Canada	do.	.1	.1	13.3	11.8
Denmark	do.	.6	.5	8.5	9.1
China, Taiwan	do.	1.5	1.4	4.2	5.1
Others	do.	3.9	2.7	17.5	12.7
Total	do.	20.4	18.8	147.6	147.8
Oil equivalent	Mil. lb.	223.5	206.9	1,620.7	1,623.1
Meal equivalent	1,000 tons	478.3	442.7	3,468.7	3,473.9

EDIBLE OILS	Unit	February 1967 [1]	February 1968 [1]	Oct.-Feb. '66-67 [1]	Oct.-Feb. '67-68 [1]
Soybean: [3]					
India	Mil. lb.	27.2	2.8	43.1	111.5
Pakistan	do.	.0	41.9	.1	79.1
Tunisia	do.	9.6	1.8	37.3	37.7
Israel	do.	.0	.8	11.5	20.1
Vietnam, South	do.	6.6	7.7	12.5	17.7
Dominican Rep.	do.	1.2	.1	3.9	13.7
Brazil	do.	.7	1.2	9.5	11.7
Morocco	do.	.1	9.2	1.9	11.5
Canada	do.	.8	2.2	9.2	10.5
Panama	do.	.1	1.7	4.5	7.2
Others	do.	37.5	14.9	202.4	72.4
Total	do.	83.8	84.3	335.9	393.1
Cottonseed: [3]					
Venezuela	do.	3.7	.0	14.2	14.4
Canada	do.	.5	.9	2.8	3.7
Netherlands	do.	(4)	.0	.6	.5
Others	do.	.4	1.1	8.3	3.0
Total	do.	4.6	2.0	25.9	21.6
Total oils	do.	88.4	86.3	361.8	414.7
CAKES AND MEALS					
Soybean:					
Belgium	1,000 tons	18.4	27.3	91.4	148.2
France	do.	49.5	37.3	198.4	206.2
Germany, West	do.	58.5	32.0	228.3	243.4
Italy	do.	4.4	17.6	93.3	40.6
Netherlands	do.	18.2	48.7	137.5	238.5
Total EEC	do.	149.0	162.9	748.9	876.9
Canada	do.	13.7	18.2	96.1	95.8
United Kingdom	do.	1.0	10.1	39.0	49.3
Denmark	do.	15.6	8.5	46.1	46.4
Yugoslavia	do.	10.5	11.0	57.9	35.8
Poland	do.	7.6	10.9	21.5	35.1
Others	do.	41.6	28.5	150.2	144.7
Total	do.	239.0	250.1	1,159.7	1,284.0
Cottonseed	do.	.2	.1	5.0	1.2
Linseed	do.	2.3	3.3	63.7	71.8
Total cakes and meals [5]	do.	244.1	257.1	1,236.4	1,372.8

[1] Preliminary. [2] Less than 50,000 bushels. [3] Includes shipments under P.L. 480 as reported by Census. [4] Less than 50,000 pounds. [5] Includes peanut cake and meal and small quantities of other cakes and meals. Compiled from Census records.

percent of the soybean meal exported and an increase of 17 percent over last year. Shipments to the United Kingdom showed a marked gain of 26 percent.

Total cake and meal exports of 1.37 million tons increased 11 percent over the 1.24 million exported a year ago. The increase in soybean and linseed meal exports more than offset the decline in cottonseed meal.

Sharp Drop in Argentine Cotton Crop

The Argentine cotton crop that is now being harvested is expected to total around 390,000 bales (480 lb. net) for the current season (August-July), the smallest crop in more than two decades. This compares with 400,000 bales in 1966-67 and 530,000 in 1965-66, and is 29 percent below the 1960-64 average of 552,000 bales. The sharp decrease in cotton production is primarily due to reduced acreage, especially in the Province of Chaco, where 60 to 70 percent of the total crop is grown. In 1967-68, around 750,000 acres are expected to be harvested, compared with 815,000 in 1966-67 and 1,070,000 in 1965-66. This compares with the 1960-64 average of 1,253,000 acres. In recent years, farmers have been dissatisfied with the price of cotton and have diverted some of the cotton acreage to grains (especially wheat) and oilseeds.

Cotton exports totaled 127,000 bales in 1966-67, compared with 32,000 in 1965-66. Exports from August through December of 1967 amount to 10,700 bales, down sharply from 45,700 during the same period in 1966-67. Exports for the entire year of 1967-68 are not expected to exceed 50,000 bales. Major countries of destination for Argentine cotton in 1966-67 were Japan, Belgium, Hong Kong, France, and the United Kingdom. Argentina exports most of the lower quality cotton that is not utilized by domestic mills.

Cotton imports in 1966-67 were around 49,000 bales, down from 71,000 a year earlier. About all of Argentina's cotton imports are from Peru and consist primarily of the longer staple varieties.

Consumption is estimated at 450,000 bales in 1967-68, compared with 490,000 the previous year. This is due to the depressed textile market and competition from other fibers. Stocks were estimated at 470,000 bales on August 1, 1967, down from 640,000 on the same date in 1966.

The Government of Argentina reduced the cotton export tax in February 1968 from 20 percent to 12 percent as an export incentive, but the total effect of the tax cut is offset by rising domestic prices.

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Record Seen for French Wheat Output, Barley May Fall

A record 15 million metric tons of wheat may be produced in France this year if weather continues to favor the winter wheat crop. Production of barley on the other hand, will probably decline somewhat as area planted is believed to be off from last year's record.

Total wheat area in France this year is estimated at 10.4 million acres. If yields equal the average of the past 3 years, the crop would reach 13.6 million tons, but with a repeat of last year's record yield it could exceed 15 million tons.

Planting of winter wheat, from which comes 95 percent of France's wheat crop, is estimated at 9.6 million acres, 13 percent above the comparable estimate of 1967 and close to the 1963-67 average of 9.7 million which is considered normal. During the previous 2 seasons, grain production was cut by unfavorable fall weather, which hindered soil preparation and sowings. The last crop with a normal sown area and little abandonment was the record 14,760,000 tons of 1965.

The total area sown to cereals does not vary widely from year to year. Thus, in view of the larger wheat sowings, officials of the grain cooperatives expect that area in barley will be off somewhat.

The downward trend in rye and oats area will probably continue this year, while gains may occur in corn and sorghum plantings.

Marketing of the forthcoming grain crops may prove difficult unless demand picks up. In past months, lack of buying interest kept prices for wheat and most other grains near the intervention levels. However, the recent sale of about 600,000 tons of wheat to mainland China did strengthen prices somewhat. With this sale, France should be able to export about 4.0 million tons of wheat (not including flour) in 1967-68.

Sales of barley have been even slower than those of wheat, and unless France sells an additional 300,000 tons to third countries its export forecast of 2.8 million (including malt) may not be reached.

Looking to 1968-69, France will probably have sufficient supplies to keep wheat exports at this season's level and still supply a major share of the 1,035,000 metric tons of wheat pledged to developing countries by the EEC. Imports of U.S. Hard wheats—which during the first 8 months of this season amounted to 96,217 tons or over three-fifths of the total—should continue at about the present rate, but those of U.S. durum are expected to be down from last year, mainly because of larger French production of this type.

In July-February, the United States supplied 154,715 tons of durum to France, or nearly two-thirds of the total import of such wheat.

—Based on a dispatch from
HAROLD L. KOELLER
Assistant U.S. Agricultural Attaché, Paris

Denmark Restructuring Its Meat Industry

Structural changes in the Danish meat and cattle industry are leading to new livestock policies and marketing procedures that could considerably simplify Denmark's cattle export procedure.

Chiefly responsible for these changes is the growing tendency of Denmark's farmers to send cattle for slaughter directly to the slaughterhouse. This eliminates the one or two dealers customarily employed. It also means that the number of cattle exported live, compared with the volume of export trade in meat, is declining. Satisfaction with results obtained from marketing livestock independent of the middlemen has opened the way for further streamlining within the trade.

In October, for example, producers and slaughterhouse owners agreed that calves were to be rated according to quality of the slaughtered calf. This encourages direct delivery to the slaughterhouse and may improve future animal quality through feeding guidance subsequent to carcass evaluation.

Also, a progeny test station, EGTVED has been set up to provide information on rate of growth and meat quality of bulls used for artificial insemination.

Success with these small-scale efforts is encouraging establishment of a national producer organization. By extending membership to individual farmers as well as to already existing regional organizations, the association would unify the livestock trade to a greater degree than is now possible. Its first work would be to establish a common sales organization for exports. Other goals include setting up quality standards and trade classes, publishing price quotations, and building up common investment funds.

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